Privy Council Office

Departmental Performance Report
2009-10

The Right Honourable Stephen Harper
Prime Minister of Canada

Wayne G. Wouters
Clerk of the Privy Council and Secretary to the Cabinet

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Prime Minister's Message

This past year was marked by one of the worst global recessions in half a century, which brought with it significant uncertainty for Canada's economy and labour market. In response, the Government of Canada implemented the Economic Action Plan to help protect Canadians from the impacts of this downturn. Supported by these measures, the Canadian economy rebounded strongly during the second half of the fiscal year 2009-10, making a more rapid transition from recession to recovery than most other countries.

Throughout this past year, the Privy Council Office played a leadership role in recovery efforts and many other areas including:

- helping to streamline the approval processes for Economic Action Plan initiatives;
- coordinating the development of the Speech from the Throne and Budget 2010;
- playing a key role in strengthening Canada's relationship with emerging economies, while maintaining its economic relations with the United States;
- coordinating policies and providing advice on Canada's activities and engagement in Afghanistan;
- supporting and coordinating the humanitarian response to the devastating earthquake in Haiti;
- helping to organize and plan security for the Vancouver 2010 Olympic and Paralympic Winter Games, as well as the G8 and G20 summits; and
- enabling a whole-of-government approach and an integrated response to the H1N1 pandemic.

Along with all of these efforts, the Privy Council Office continued to lead ongoing Public Service renewal to ensure the Public Service remains a vital institution where public servants are equipped to fulfil their mission of excellence in providing services to Canadians.

I am pleased to present the 2009-10 Departmental Performance Report for the Privy Council Office and the Public Appointments Commission Secretariat.

The Right Honourable Stephen Harper
Prime Minister of Canada

SECTION I

DEPARTMENTAL OVERVIEW

1.1 Introduction

The 2009-10 Departmental Performance Report provides an account of the performance of the Privy Council Office (PCO) for the period from April 1, 2009 to March 31, 2010. It reports on the Department's main activities (planned and unplanned) for the fiscal year 2009-10.

1.2 Raison d'être

The origins of PCO's mandate and raison d'être lie in the structure and traditions of the Westminster style of Parliamentary government. *The British North America Act* of 1867 created the Queen's Privy Council for Canada and stated that the Governor General is to exercise executive powers (as representative of the Crown) with the advice and consent of this Privy Council. All powers vested in the Governor General in Council refer to the Governor General acting by and with the advice of the Queen's Privy Council for Canada, which has evolved to become the Canadian Cabinet. Under the traditions of Westminster government, the Prime Minister serves as Canada's Head of Government and the chief constitutional advisor to the Governor General and the Monarch.

PCO functions both as the Cabinet's secretariat and the Prime Minister's source of public service advice on policy questions and operational issues facing the Government. PCO's efforts are central to effective functioning of the Executive in Canada's system of government.

The mandate of the Privy Council Office is to serve Canada and Canadians by providing the best professional, non-partisan advice and support to the Prime Minister, the ministers within the Prime Minister's portfolio and the Cabinet. PCO supports the development of the Government of Canada's policy agenda; coordinates responses to issues facing the Government and the country; and supports the effective operation of the Cabinet. As Head of the Public Service of Canada, the Clerk of the Privy Council sets strategic direction and oversees all major issues for the Public Service.

1.3 Responsibilities

PCO reports directly to the Prime Minister and is led by the Clerk of the Privy Council, who is also Secretary to the Cabinet. The Clerk of the Privy Council and PCO support the Prime Minister in his role as Head of Government.

PCO has three main roles:
Advisor to the Prime Minister – PCO brings together quality, objective policy advice and information to support the Prime Minister and the Cabinet, including non-partisan advice and information across the Public Service; consultation and collaboration with international and domestic sources inside and outside Government; and advice on the management of federal/provincial/territorial relations. PCO also provides administrative services to the Prime Minister's office, PCO Ministers, and to Commissions of Inquiry.

Secretary to the Cabinet – PCO facilitates the smooth, efficient, and effective functioning of Cabinet and the Government of Canada on a day-to-day basis including managing the Cabinet's decision-making system; coordinating departmental policy proposals to Cabinet; scheduling and support services for meetings of

Cabinet and Cabinet Committees; advancing the Government's agenda across federal departments and agencies and with external stakeholders; advising on Government structure and organization; and preparing Orders-in-Council.

Public Service Leadership – PCO fosters a high-performing and accountable public service, ensures that the Government and Canadians are served by a quality public service that delivers advice and services in a professional manner, and strives to meet the highest standards of accountability, transparency and efficiency. This includes managing the appointment process for senior positions in the federal public sector including departments, Crown corporations and agencies; guiding policy on human resources issues and providing strategic direction on Public Service Renewal; ensuring that the Public Service has the capacity to meet emerging challenges and the changing responsibilities of government; and developing and submitting the Clerk's Annual Report to the Prime Minister on the state of the Public Service.

PCO also provides non-partisan advice and support to the Leader of the Government in the Senate, the Minister for Intergovernmental Affairs, President of the Queen's Privy Council for Canada and Minister for La Francophonie, the Leader of the Government in the House of Commons, and the Minister of State (Democratic Reform).

For more information on PCO's main roles, please visit PCO's website at http://www.pco-bcp.gc.ca.

1.4 Privy Council Office – Program Activity Architecture (PAA) for 2009-10[1]

Strategic Outcome	1. The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained.				
Program Activity	**1.1 The Prime Minister and Portfolio Ministers** Provide professional, non-partisan policy advice and support to the Prime Minister and portfolio ministers.	**1.2 The Cabinet** Provide policy advice and secretariat support to Cabinet and Cabinet committees.	**1.3 The Public Service** Provide overall leadership and direction to the Public Service in support of the Government's agenda.	**1.4 Commissions of Inquiry** Provide commissions of inquiry with financial and administrative support.	**1.5 Internal Services** Provide services and resources to support the needs of PCO and fulfill corporate obligations of the organization.
Sub-Activity	1.1.1 Provide advice to the Prime Minister on issues, policies, machinery and appointments. 1.1.2 Provide advice to the Prime Minister on issues related to international affairs and national security. 1.1.3 Provide advice and support to the Prime Minister and the Minister of Intergovernmental Affairs on policies, communications and parliamentary affairs related to federal-provincial-territorial relations. 1.1.4 Provide advice to portfolio ministers on policy, legislation and parliamentary issues. 1.1.5 Provide the PMO and the offices of the portfolio ministers with administrative and financial support.	1.2.1 Support for the operation of Cabinet and Cabinet committees. 1.2.2 Facilitate integration across the federal community in order to support the implementation of the Government's agenda by departments and agencies.	1.3.1 Provide support for the operation of the Deputy Ministers' Committee on Public Service Renewal. 1.3.2 Support for the operation of the Committee of Senior Officials.		1.5.1 Provide services and resources related to: management and oversight, access to information and privacy, communications, legal services, human resources management, financial management, information management, information technology, accommodation management, material management, acquisition, travel services, audit and evaluation, security operations, and other administrative services.

1.5 Privy Council Office's Year in Review

At the beginning of fiscal year 2009-10, Canada found itself deep in recession with large numbers of Canadians having lost their jobs as a result of the worst economic downturn in half a century. But Canada was not alone in this regard – in fact, Canada was part of a deep and synchronized global recession that was sparked by the worst global financial crisis since the 1930s and the collapse of the United States housing market. To respond to this crisis situation and help mitigate its impact, the Government of Canada announced and implemented the Economic Action Plan (EAP), a significant, multi-faceted stimulus package designed to stabilize the economy and spur job creation. As a result of these efforts and Canada's strong underlying economic, fiscal and financial fundamentals, Canadians were able to weather the global recession better than most other industrialized countries, and quickly make the transition to recovery. Indeed, during the second half of the fiscal year 2009-10, economic growth rebounded much more strongly than expected, accompanied by significant gains in job creation.

Globally, the Government of Canada continued to collaborate with the international community in regards to the work in Afghanistan, in order to bring stability, good governance, self-sufficiency and security.

In addition to planned activities in support of priorities, the work of PCO is responsive to emerging issues (domestic or international), new initiatives brought forward by government departments, as well as other factors (e.g., pandemics). The principal activities that PCO undertook during the fiscal year 2009-10 are summarized here, under four main themes:

1.5.1 Responding to the Economic Downturn

PCO played an important leadership role in supporting the Government's overall efforts to deal with the impact of the global recession on Canada. Providing overall advice and coordination to the effort, PCO worked to streamline the approval process for initiatives under the EAP in order to ensure that the Government was in a position to implement the various measures in an effective and timely manner to respond to the crisis. PCO was also instrumental in coordinating the Government's overall communications effort related to the EAP, and directly managed the EAP website which delivers government-wide, integrated messaging for the various initiatives, an effort that included reporting to Parliament and Canadians on progress and results achieved.

In supporting the Prime Minister to fulfill his overall leadership responsibility, PCO contributed to developing the Speech from the Throne and Budget 2010, which helped to set the stage for the Government's post-recession agenda.

In addition, PCO provided advice to the Prime Minister regarding the international economic agenda during the economic downturn enabling his participation in international meetings that addressed the global economic challenge.

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[1] Internal Services were added as Program Activity in fiscal year 2009-10.

1.5.2 Strengthening Canada's Role in the International Context

PCO played a leadership role in providing support and advice to the Prime Minister on international affairs and national security. One particular goal was to strengthen Canada's relationships with its partners. This was reflected in the Prime Minister's visits to the United States, India and China, with the purpose of building stronger and more dynamic bilateral relations. The advice that PCO provided to the Prime Minister contributed to strengthening the collaboration between Canada and the United States and addressing shared challenges, such as the economy and the environment.

PCO played a central role and coordinated the policies and provision of advice on Canada's activities and engagement in Afghanistan. As well, PCO built coherence and consistency in communicating the mission to Canadian, Afghan and international audiences. PCO continued to provide advice and support in implementing the whole-of-government effort in Afghanistan, as well as coordinating regular, quality reporting to Parliament on the implementation of Canada's six priorities[2] and three signature projects[3].

PCO performed an active role in supporting and coordinating the response in Haiti just hours after the devastating earthquake hit that country. This included provision of humanitarian assistance and deployment of Canadian troops to help clear roads, provide security for supply distribution and maintain order. A few months later, in response to the earthquake in Chile, the Government of Canada provided funding for urgent humanitarian assistance to the Chilean people.

PCO fulfilled its coordination role in providing advice and support for organizing and security planning for major international events held in Canada, such as the Vancouver 2010 Olympic and Paralympic Winter Games. The outcome of these efforts was a successful and well-orchestrated Winter Games. As well, PCO had a leadership role in coordinating the security planning of the 2010 G8 and G20 summits held in June in Canada.

1.5.3 Contributing to a More Secure and Greener Canada

During the fiscal year 2009-10, PCO continued to provide advice to the Prime Minister on articulating the national security policy and to support the National Security Advisor to the Prime Minister on security and intelligence matters.

Responding to emerging issues during 2009-10, PCO played a lead role, within existing resources, in formulating and implementing a whole-of-government response to the H1N1 pandemic.

PCO provided advice to the Prime Minister on initiatives aimed at securing Canada's energy future, tackling climate change and preserving Canada's environment. These measures included the launch of the Canada – United States Clean Energy Dialogue, which focuses on developing clean energy technologies and harmonizing North American auto emission standards, as well as expanding and upgrading Canada's national park system through the EAP.

In addition, PCO supported the Government and the Prime Minister in playing an active and constructive role in climate change talks at the international level, notably at the United Nations Climate Change Conference in December 2009, which resulted in the Copenhagen Accord.

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[2] http://www.afghanistan.gc.ca/canada-afghanistan/priorities-priorites/index.aspx
[3] http://www.afghanistan.gc.ca/canada-afghanistan/projects-projets/index.aspx

PCO provided a challenge function for a number of Memoranda to Cabinet promoting the Government's social agenda, such as refugee reform, health, retirement income and employment insurance, Aboriginal rights, and missing and murdered Aboriginal women.

PCO provided this same challenge function on a number of initiatives to tackle serious crime facilitating the effective investigation of cyber-crime and crimes committed via computers and modern telecommunications. Measures include requiring Internet service providers to report child pornography, amending the *Youth Criminal Justice Act*, addressing white collar crime, restricting the availability of conditional sentences for serious offences, adding abusing a position of authority or access to a secure area to facilitate trafficking of illegal drugs as an aggravating factor for sentencing, capping credit for time served at a one-to-one ratio, and strengthening the use of the National Sex Offender Registry and the National DNA Data Bank.

1.5.4 Supporting Effective Operation of the Government

PCO played a primary role in coordinating the operation of Cabinet committees by providing secretariat support and administering the flow of business related to the high-level decision-making process. PCO played a catalytic role with federal departments in advancing a number of government priorities and in ensuring consistent messaging in all communication activities. PCO also continued to coordinate and manage the Government's legislative agenda, as well as democratic reform issues, including advice and support on the development of priority legislation, management of sensitive parliamentary issues, and on the preparation and management of all government legislative initiatives. Furthermore, PCO continued to improve its abilities to provide strategic communication advice and to find ways to manage rapid responses to emerging issues.

In Budget 2009, the Government initiated a review of the Governor-in-Council positions in agencies, boards, commissions and Crown corporations to improve the governance and functioning of federal organizations while maintaining quality government services to Canadians. PCO led this complex initiative (with the Treasury Board Secretariat), the results of which were announced in Budget 2010, and are discussed in more detail in Section II.

PCO maintained its leadership role in the area of Public Service Renewal, which remains "an ongoing, overarching strategy aimed at equipping public servants to better serve the Government, using new tools and approaches but fulfilling the same mission of excellence in service to Canadians"[4]. Renewal is the Clerk of the Privy Council's top management priority. Activities continue to be organized along four "pillars" – Integrated Planning, Recruitment, Employee Development and Renewing the Workplace. In March 2010, the Clerk submitted the *Seventeenth Annual Report to the Prime Minister on the Public Service*[5] outlining the accomplishments of the past year and the priorities going forward.

PCO's Performance Measurement system continues to be developed. Currently, PCO uses largely output-based performance indicators in order to make operational decisions on workload and distribution of effort within the Department. It is extremely challenging to measure the quality of policy advice, integration and coordination. However, PCO responds to the qualitative feedback that it receives and adjusts its way of working to deliver to the highest standards. Issues continue to be managed in a timely and responsive way, allowing the Prime Minister to provide direction across the full range of government operations.

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[4] *Seventeenth Annual Report to the Prime Minister on the Public Service of Canada, p.1.*

[5] http://www.clerk.gc.ca/eng/feature.asp?featureId=19&pageId=231

1.6 Corporate Risk Analysis

Over the past year, PCO continued to strengthen its corporate risk management practices. An Integrated Risk Management Handbook was recently drafted and will help senior executives engage in the Corporate Risk Management Process. PCO's work and the challenges it faced over fiscal year 2009-10 were significantly affected by its operating context.

PCO's risks and opportunities relate mostly to operational matters linked to providing advice to the Prime Minister and Cabinet. The day-to-day work at PCO includes risks associated not only with planned activities (as illustrated in the Report on Plans and Priorities), but also risks of unplanned and emerging events (e.g., the earthquake in Haiti).

Corporate and operational risks and mitigation strategies are discussed in more detail in Section II.

1.7 Performance Summary

Financial Resources (thousands of dollars) 2009-10

Planned Spending	Total Authorities	Actual Spending
133,263	170,321	158,601

Human Resources (Full-Time Equivalent – FTE) 2009-10

Planned	Actual	Difference
978	1,051	(73)

Performance Analysis Table

Strategic Outcome: *The Government's agenda and decision-making are supported and implemented and the institutions of government are supported and maintained.*

PCO achieves its single strategic outcome through combined efforts from all program activities. PCO relies on information from individual program activity indicators to determine success in achieving its strategic outcome. PCO achieves its goals through three main vehicles: advice and support to the Prime Minister and portfolio Ministers; advice and support to Cabinet and Cabinet committees; and leadership and direction to the Public Service. These three Program Activities make up the bulk of PCO's work and expenditures. As needed, PCO serves as the focal point within the Government for administrative and financial support to Commissions of Inquiry. These activities are sustained by PCO's Internal Services, from human resources and financial management to information technology and security services. Taken together, these efforts provide benefits to Canadians through helping the Government to develop, articulate and implement its agenda, across departments and agencies.

(thousands of dollars). The dollar amounts of variations are provided in the Performance Summary Details in Annex I provided online.

Program Activity[6]	2008-09 Actual Spending	2009-10				Alignment to Government of Canada Outcomes
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	
1.1 The Prime Minister and Portfolio Ministers Provide professional, non-partisan policy	104,134	61,052	61,209	72,037	67,621	Strong and independent democratic

[6] For Program Activity descriptions please see Section II of this document.

advice and support to the Prime Minister and portfolio ministers						institutions
1.2 The Cabinet Provide policy advice and secretariat support to Cabinet and Cabinet committees	24,761	16,365	16,365	16,772	16,459	Strong and independent democratic institutions
1.3 The Public Service Provide overall leadership and direction to the Public Service in support of the Government's agenda	5,389	2,553	2,553	3,683	3,573	A well-managed and smoothly operating government machinery
1.4 Commissions of Inquiry Provide Commissions of Inquiry with financial and administrative support	15,045	0	4,621	13,731	11,730	A transparent, accountable and responsive federal government
1.5 Internal Services Provide services and resources to support the needs of PCO and fulfil corporate obligations of the organization	Note 1	48,812	48,515	64,098	59,218	
Total	**149,329**	**128,782**	**133,263**	**170,321**	**158,601**	
Full-time equivalents (FTEs)	**981**	**966**	**978**	**1,068**	**1,051**	

[1]Commencing in the 2009-10 Estimates cycle, the resources for the Internal Services program activity are displayed separately from other program activities; they are no longer distributed among the remaining program activities, as was the case in the previous Main Estimates. This has affected the comparability of spending and FTE information by program activity between fiscal years.

Like other departments and agencies, PCO starts the year with a budget as voted in the Main Estimates, but can receive additional funding through the Supplementary Estimates and other transfers. The total amount approved by Parliament in the Main and Supplementary Estimates for the year is reflected in the Total Authorities, which departments or agencies may not exceed. In 2009-10, PCO received $41.5 million of in-year funding increasing the amount of $128.8 million in the Main Estimates to $170.3 million in total authorities. This increase was mainly due to:

- additional requirements for Commissions of Inquiry;
- additional operating requirements to permanently eliminate various chronic funding pressures within PCO;
- implementation and coordination of a government-wide communications strategy for the EAP;
- the transfer of the Public Service Renewal Task Force Branch from the Canada Public Service Agency;
- the Advertising Corporate Identity initiative;
- the Canada-Australia Exchange Program;
- the carry forward, reimbursements of expenses such as parental leave, severance pay and new collective agreements, adjustment to employee benefit plans, and other small or technical adjustments; and
- a partial offset by a reduction for Public Opinion Research.

At the end of the year, PCO had a surplus of $11.7 million of which $2.0 million represented delays or deadline extensions related to Commissions of Inquiry, $1.6 million related to the EAP since the team was only fully staffed at the end of 2009-10, and $0.5 million for the Advertising Corporate Identity initiative

since the project was not started given other evolving priorities. Funding and expenditures related to Commissions of Inquiry, EAP and Advertising Corporate Identity are controlled by special purpose allotments and are isolated within PCO's vote. PCO's surplus for its activities (excluding the special purpose allotments) was $7.6 million. For more information on Performance Summary details, please see Annex I. For the impact on performance, please see Section II of this report.

Contribution of Priorities to Strategic Outcome(s)

The following table summarizes PCO's overall performance against the priorities set out in the 2009-10 Report on Plans and Priorities. Details on the related expected results by program activity are presented in Section II of the Departmental Performance Report.

Operational Priorities	Type	Status ("met all," "mostly met," "somewhat met," "not met," or "exceeded" expectations)	Linkages to Program Activities
Support the Prime Minister in exercising his overall leadership responsibility PCO supports the Prime Minster in his leadership roles, as well as the ministers within the portfolio. PCO provides advice on the machinery of government, as well as structure and functioning of the Cabinet.	Ongoing	**MET ALL** PCO participated in drafting the Speech from the Throne and the Budget 2010. PCO continued to provide advice to the Prime Minister on the appointment of principal public office holders. PCO continued to coordinate the operation of the Cabinet committees, and provided secretariat support and administered the flow of business related to the high-level decision-making process, including advice and support of machinery issues associated with smooth functioning of Cabinet and government operations.	The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained. Linked to Program Activities: **1.1 The Prime Minister and Portfolio Ministers** Provide professional, non-partisan policy advice and support to the Prime Minister and portfolio ministers. **1.2 The Cabinet** Provide policy advice and secretariat support to Cabinet and Cabinet committees.
Focus on key policy and legislative areas and strengthen medium-term policy planning PCO supported the Government's response to the global economic recession, helping all Canadians participate in the country's opportunities.	Ongoing	**MET ALL** PCO had a leadership role and provided advice in developing, implementing and monitoring the EAP. PCO provided advice and support to Cabinet committees in providing whole-of-government leadership in developing and implementing strategic policy on social, international and environmental affairs, as well as national security. PCO provided advice and support to Cabinet committees on positioning Canada as an international economic leader during the global economic and financial downturn, maintaining and strengthening the relationship with the United States, and on Canada's mission in Afghanistan. PCO provided advice and leadership across	The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained. Linked to Program Activities: **1.1 The Prime Minister and Portfolio Ministers** Provide professional, non-partisan policy advice and support to the Prime Minister and portfolio ministers. **1.2 The Cabinet** Provide policy advice and secretariat support to Cabinet and Cabinet committees.

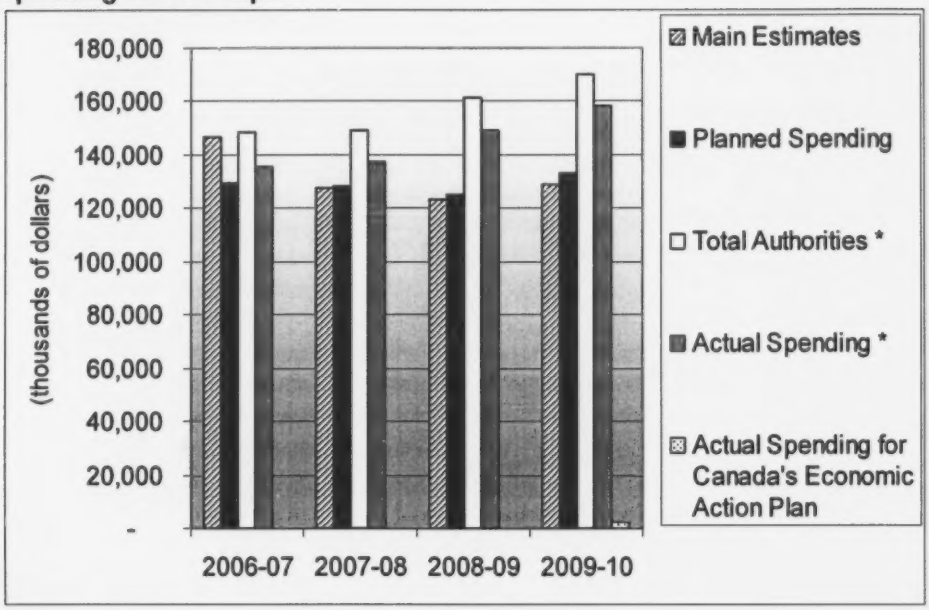
Operational Priorities	Type	Status ("met all," "mostly met," "somewhat met," "not met," or "exceeded" expectations)	Linkages to Program Activities
		the federal government's security and intelligence community on issues such as national security, emergency management, intelligence and public safety. PCO played a catalytic role working with federal departments to advance a number of government priorities and in ensuring consistent messaging in all communication activities. PCO engaged with provinces and territories to advance the Government's agenda and continued to strengthen partnerships in support of regional development. PCO continued to cordinate the Government's legislative agenda.	
Support management and accountability of Government PCO supports the Clerk in his role as Head of the Public Service such that it maintains its status of excellence and accountable management.	Ongoing	**MET ALL** PCO continued to provide support and advice to the Deputy Ministers Committee on Public Service Renewal and the Prime Minster's Advisory Committee on the Public Service. PCO continued to manage the Governor-in-Council appointees, through orientation sessions and performance management assessments. PCO supported the development of the Clerk's *Seventeenth Annual Report to the Prime Minister on the Public Service of Canada*, which was tabled in the House of Commons and the Senate. PCO continued to provide financial and administrative support for the Commissions of Inquiry. PCO coordinated the production of the quarterly reports on the mission in Afghanistan, which provided parliamentarians and Canadians with information about the progress being achieved[7].	The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained. **1.1 The Prime Minister and Portfolio Ministers** Provide professional, non-partisan policy advice and support to the Prime Minister and portfolio ministers. **1.3 The Public Service** Provide overall leadership and direction to the Public Service in support of the Government's agenda. **1.4 Commissions of Inquiry** Provide Commissions of Inquiry with financial and administrative support.

[7] For copies of the reports, see www.afghanistan.gc.ca

Management Priorities	Type	Status "met all," "mostly met," "somewhat met," "not met," or "exceeded"	Linkages to Program Activities
Strengthen PCO's internal management practices	Ongoing	**MET ALL** PCO continued to strengthen its internal security, including planning in the area of emergency management, as well as the security of its networks, telecommunications, offices and (top) secret locations. PCO finalized the implementation of the 2007-10 Strategic Human Resources Plan. PCO continued to enhance its integrated business and human resources planning, ensuring that the Department is well positioned to address challenges while providing the best quality work. PCO delivered key audit and evaluation assurance projects and implemented management action plans in response to audit and evaluation recommendations. PCO strengthened internal audit and evaluation governance by establishing a new independent Audit Committee and a new Evaluation Committee. PCO continued to improve its IT Infrastructure by building a new system for the Executive Correspondence Unit (launched in September 2009); updating the Senior Personnel Appointments System; and upgrading the web-based Parliamentary Returns System. PCO continued to refine and develop an outcome-oriented Performance Measurement Framework.	**1.5 Internal Services** Provide services and resources to support the needs of PCO and fulfill corporate obligations of the organization.

Expenditure Profile

Spending Trend Graph



**Include(s) Canada's Economic Action Plan*

Overall spending by PCO has increased over the past years due to several new initiatives undertaken by PCO.

In 2008-09, some of these initiatives or reasons for increased spending were as follows:

- creation of the Cabinet Committee on Afghanistan and the Afghanistan Task Force to better coordinate Canada's activities in Afghanistan;
- coordination of the 2010 Winter Games and G8 and G20 security to help facilitate a whole-of-government approach and integration among various players;
- economic increase due to salary costs and fewer vacant positions in areas providing support to Cabinet Committees;
- funding received for several collective bargaining agreements that were ratified in 2008-09, increase in salary-related costs such as severance and separation pay, as well as an increase for Employee Benefit Plans which is a statutory item; and
- a partial offset by a decrease in spending for Commissions of Inquiry.

In 2009-10, some of these initiatives or reasons for increased spending were the following:

- support for the implementation and coordination of a government-wide communications strategy for the EAP;
- additional operating requirements to permanently eliminate various chronic funding pressures for PCO;
- economic increase due to salary costs and fewer vacant positions;
- Public Service Renewal Task Force Branch which was transferred from the Canada Public Service Agency;
- increase in salary-related costs such as severance and separation pay; and
- partial offset by a decrease in spending for Commissions of Inquiry.

For more details on total Planned Spending and Total Authorities, please see the Performance Summary Details in Annex I of the online extended Departmental Performance Report.

Canada's Economic Action Plan

Financial Resources (thousands of dollars)
2009-10

Planned Spending	Total Authorities	Actual Spending
0	4,288	2,663

Human Resources (FTEs)
2009-10

Planned	Actual	Difference
0	12	(12)

During 2009-10, PCO played a central role in the coordination and management of government communications for the EAP, as determined by the Prime Minister and the Cabinet. The effective implementation of the EAP is one of many examples where PCO successfully advised the Prime Minister and the Cabinet and coordinated with federal departments under tight deadlines. Moreover, PCO contributed to the implementation of the initiatives under the EAP, including monitoring and advising on implementation policies in provinces and territories.

Voted and Statutory Items
(thousands of dollars)

Vote # or Statutory Item (S)	Truncated Vote or Statutory Wording	2007-08 Actual Spending	2008-09 Actual Spending	2009-10 Main Estimates	2009-10 Actual Spending
1	Program expenditures [1]	125,531	135,510	115,611	142,128
S	Contributions to employee benefit plans	11,837	13,343	12,774	16,070
S	Prime Minister—Salary and motor car allowance	153	157	162	160
S	Minister of Intergovernmental Affairs, President of the Queen's Privy Council for Canada and Minister for La Francophonie – Salary and motor car allowance	74	77	78	78
S	Leader of the Government in the Senate — Salary and	74	77	78	78

	motor car allowance				
S	Leader of the Government in the House of Commons — Salary and motor car allowance [2]	0	77	78	78
S	Minister of State (Democratic Reform) – Motor car allowance [3]	0	24	0	2
S	Minister of State and Chief Government Whip — Motor car allowance [3]	0	30	0	2
S	Ministers without Portfolio or Minister of State—Motor car allowance [3]	4	0	0	0
S	Spending of proceeds from the disposal of surplus Crown assets	19	31	0	7
S	Court Awards	0	3	0	0
Total		**137,692**	**149,329**	**128,782**	**158,601**

Due to rounding, results may not add up to the totals shown

[1] Please refer to the Spending Trends Graph in Section I for more details on departmental spending trends. Please refer to the Performance Summary above or to Annex I (provided electronically) for more details on the total Main Estimates and the total Actual Spending.

[2] Before fiscal year 2008-09, the Leader of Government in the House of Commons was considered as a Minister without Portfolio in accordance with the *Salaries Act*. Under an amendment (Bill C-30) to the *Salaries Act*, the Leader of the Government in the House of Commons is now considered a full fledged minister and thus his expenses (salary and motor car allowance) are therefore no longer "voted" but are "statutory" items.

[3] In 2008-09, the salary and motor car allowance for the Minister of State (Democratic Reform) and Minister of State and Chief Government Whip were considered as statutory items. However, following a clarification from legal counsel, the salary portion is to be paid out of PCO's Program Expenditures Vote 1 since they are Ministers of State who do not preside over a Ministry of State. The 2009-10 salary expenses are now accurately reflected under PCO's Vote 1. The motor car allowance is still a statutory item. The car allowance of Ministers of State was presented as a combined item in 2007-08. Since 2008-09, each Minister of State's motor car allowance is presented separately.

SECTION II

ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOME

Strategic Outcome:

The Government's agenda and decision making are supported and implemented and the institutions of government are supported and maintained

During 2009-10, PCO achieved its single strategic outcome through combined efforts from all Program Activities. Generally, PCO relies on information from individual program activity indicators to determine success in meeting its strategic outcome.

PCO achieved its outcome fulfilling three main roles: advice and support to the Prime Minister and portfolio Ministers; advice and support to Cabinet and Cabinet committees; and leadership and direction to the Public Service. These three Program Activities make up most of PCO's work and expenditures. As needed, PCO serves as the focal point within the Government for administrative and financial support to Commissions of Inquiry. All Program Activities are sustained by PCO's Internal Services. Taken together, these efforts provide benefits to Canadians through helping the Government to develop, articulate and implement its agenda, across departments and agencies.

2.1 The Prime Minister and Portfolio Ministers

Provide professional, non-partisan policy advice and support to the Prime Minister and the Portfolio Ministers

PCO provides non-partisan advice to the Prime Minister on a full range of issues and policies (social, economic and regional development, the economy, the environment, natural resources, democratic reform, parliamentary, foreign and defence, international assistance, security and intelligence, intergovernmental relations and machinery of government). PCO also provides advice on the recruitment, selection and compensation of senior officials. This activity includes provision of legal advice and recommendations to the Prime Minister, portfolio ministers, the Clerk on a broad spectrum of matters, often engaging complex or whole-of-government policy or legal concerns.

Program Activity: The Prime Minister and Portfolio Ministers – Provide professional, non-partisan policy advice and support to the Prime Minister and portfolio ministers					
2009-10 Financial Resources (thousands of dollars)			2009-10 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
61,209	72,037	67,621	506	534	(28)

Program Description	Expected Results[8]	Performance Indicators	Performance Summary
PCO supports the Prime Minister in carrying out his unique responsibilities as head of Government. PCO provides advice to the Prime Minister and portfolio ministers on policies, legislation and parliamentary issues facing the Government; appointments; and machinery of government issues. PCO also provides the Prime Minister's Office and the offices of portfolio ministers with financial and administrative support.	The Prime Minister and portfolio ministers are able to carry out their respective responsibilities.	The Prime Minister and portfolio ministers are provided with value-added[9] information on which to base decisions.	
		• Number of Orders-in-Council	A total of 2,022 Orders-in-Council for the period of April 1, 2009 to March 31, 2010.
		• Number of Governor-in-Council appointments	PCO developed *A Guide to Managing the Governor-in-Council Appointments Process* for Ministers, Deputy Ministers and their staff to provide guidance on process, roles and responsibilities, vacancy management, selection processes and guidelines for reappointment decisions. Workshops and training sessions were conducted for both exempt and departmental staff on the Governor-in-Council process. There were 894 Governor-in-Council appointments made in 2009-10. PCO and Treasury Board Secretariat jointly led a cross-government review of all Governor-in-Council positions to improve governance within organizations. Following the review of approximately 2,700 positions within 200 organizations across 24 departments, 245 positions will be eliminated. PCO supported succession planning within the senior ranks of the Public Service, through 38 appointments (14 new and 24 existing Deputy Minister changes).
		• Number of federal/provincial/territorial meetings	PCO supported nearly 60 bilateral meetings involving the Prime Minister, the Minister of Intergovernmental Affairs, or senior PCO officials, and more than 30 federal-provincial/territorial sector ministerial meetings.
		Advice to the Prime Minister and the portfolio ministers is provided in a timely manner. PCO advice enables the Government to achieve its legislative and policy agenda.	PCO provides the Prime Minister with in-depth assessments of foreign trends and developments that are relevant to Canada and to the Government's agenda.

[8] Establishing targets for performance is not suitable for provision of advice and support.
[9] "Value-added" means complete, accurate, relevant and timely.

Program Description	Expected Results[9]	Performance Indicators	Performance Summary
		• Number of bills introduced and passed	55 Government Bills were introduced in 2009-10. 32 Bills received Royal Assent.
		The Prime Minister is provided with support for visits. • Number of visits	In 2009-10, the Prime Minister participated in 10 international summits, and conducted 7 incoming visits and 12 outgoing visits.
		The Prime Minister's Office and the offices of portfolio ministers receive the necessary services and resources in a timely manner.	

Performance Analysis

The principal activities that PCO undertook during the fiscal year 2009-10 under this Program Activity are summarized below, under the four main themes illustrated in *Section I: Departmental Overview.*

1. Responding to the Economic Downturn

As mentioned earlier, PCO had a leadership role and provided advice in developing, implementing and monitoring the Economic Action Plan (EAP) [10]. PCO also maintained a leadership role providing advice to the Prime Minister on the international economic agenda during the economic downturn.

PCO ensured that a fully integrated and consistent messaging effort was delivered to Canadians for the EAP. PCO supported federal collaboration with governments at provincial and territorial levels to develop and implement the EAP. In 2009-10, PCO formulated an integrated, government-wide communications strategy for the EAP. The key goals of the EAP communications strategy are to identify EAP initiatives through common, whole-of-government communications, and to provide useful information so that Canadians can access all the measures and benefits the EAP offers.

PCO was responsible for the following activities related to the EAP:

- provision of advice related to the implementation of the measures and decision-making for the Prime Minister and the Cabinet, as well as coordination of government departments;
- production of the *Canada's Economic Action Plan – A Guide to Benefits and Programs*;
- development, implementation, coordination and monitoring of communication activities for the EAP;
- advice, coordination and support related to the development, implementation and evaluation of EAP communications activities; and
- design, development and maintenance of the EAP website.

Additionally, PCO supported the coordination of public reporting on the EAP. During fiscal year 2009-10, the Government released three reports to Canadians, one each in June, September and November.

[10] For more information about the EAP, please visit the website: www.actionplan.gc.ca.

PCO played a very important role in drafting the Speech from the Throne and Budget 2010, delivered in March 2010, which comprised measures to help Canadians and include objectives for the Government's post-recession agenda.

PCO maintained a leadership role in providing advice on the international economic agenda during the economic crisis, enabling the Prime Minister's participation in international meetings that discussed the global economic challenge. At the G20 summits in April and September 2009, as well as at the G8 summit in July 2009, leaders discussed ways to overcome the current crisis and prevent future ones, and promote global trade and investment.

PCO provided the Prime Minister and the senior management of PCO with high quality, timely advice on economic and social issues, supporting decision-making processes that led to successful implementation of the Government's economic agenda. The effective implementation of the EAP is an example where PCO successfully mitigated risks and advised the Prime Minister and Cabinet under tight timelines, and coordinated among federal departments to ensure timely implementation of Cabinet decisions.

2. Strengthening Canada's Role in the International Context

New demands for advice regarding crisis management and security planning (e.g., the 2010 G8 and G20 summits in Canada), as well as participating in planned events (e.g., Canada-European Union Summit, Vancouver 2010 Olympic and Paralympic Winter Games) marked the year 2009-10. As these events are becoming increasingly horizontal and international, a higher number of files are managed, coordinated and led by PCO to ensure policy coherence and effective operational delivery across government. During the last fiscal year, there were a number of summits and meetings at the world leader level for which PCO provided considerable support to the Prime Minister (e.g., Climate Change Conference in Copenhagen, the G20 Summit in London, the NATO Summit, the Asia-Pacific Economic Cooperation Summit, and Prime Minister's visits to countries such as Panama, South Korea, Afghanistan, India, China and Haiti).

During 2009-10, PCO continued to provide advice and analysis to the Prime Minister on foreign, defence, security and intelligence policy objectives to achieve a strategic approach to and management of international relations, and to respond effectively and efficiently to Government priorities. PCO also continued to support the Government in strengthening Canada's sovereignty and place in the world while contributing to the sovereignty of Canada's Arctic. PCO supported the National Security Advisor to the Prime Minister, notably her engagement with key international allies to exchange views on international security threats and challenges.

This past fiscal year, PCO diligently handled international crisis situations. As an example, for the earthquake in Haiti, Canada assumed an international leadership role and hosted an international coordination conference in Montreal and co-hosted an international Donors' Conference in New York. These events required significant PCO effort in order to effectively coordinate and ensure desired Government outcomes.

In 2009-10, the Prime Minister participated in 10 international summits, and conducted 7 incoming visits and 12 outgoing visits. Supporting the ever-growing international agenda of the Prime Minister contributes to Canada's international leadership and provides opportunities to showcase Canada at home and abroad.

In bringing forward foreign, defence and international assistance policy initiatives for the Government's and the Prime Minister's international agenda, PCO supports the Foreign Affairs and Security Cabinet Committee, as well as the Cabinet Committee on Afghanistan. In particular, PCO played a central role in providing advice and coordinating the implementation of Canada's whole-of-government engagement in Afghanistan, focused on the six priorities and three signature projects[11]. PCO continued to support and lead the integration of the policy, communications and intelligence that advance the priorities linked to the training and mentoring of Afghan national security forces, the provision of basic services, humanitarian assistance, border security, democratic development and political reconciliation. This coordinated, whole-of government approach has been recognized as a best practice within the Government. The International Support Group for Afghanistan and Pakistan was formed in 2009 to discuss developments in these countries and to help coordinate the international community's response. PCO represents Canada in the International Support Group.

The Quarterly Reports
PCO continues to coordinate the production of quarterly reports on Canada's engagement in Afghanistan. These quarterly reports evaluate progress against established benchmarks and indicators, and are tools of accountability to Parliament and the Canadian public. The reports have received international recognition as models for integrated reporting.

3. Contributing to a More Secure and Greener Canada

In response to the Government's growing commitment to security and defence related issues, as well as a higher number of international events on Canadian soil and abroad, PCO continued to articulate the Government's national security policy.

Responding to emerging issues during 2009-10, PCO provided advice and was instrumental in the coordination of a whole-of-government response to the H1N1 pandemic. PCO was a key player in the management of the pandemic response, providing the Prime Minister and the Cabinet with access to timely and accurate information and advice within the challenging environment of a rapidly evolving public issue with complex national and international elements. The provision of this advice allowed for well-informed Cabinet decision-making on a matter of great significance to the health of Canadians. The response to the H1N1 pandemic situation constituted an example of collaboration among federal/provincial/territorial governments in the face of a national health risk.

PCO provided advice to the Prime Minister on initiatives aimed at securing Canada's energy future, tackling climate change and preserving Canada's environment. These measures included the expansion and upgrade of Canada's national park system through the EAP, as well as the launch of the Canada – United States Clean Energy Dialogue, which focuses on the development of clean energy technologies and on the harmonization of North American auto emission standards. Measures described in the EAP also include a Clean Energy Fund devoted to carbon capture and storage demonstration projects, which could drastically reduce emissions.

In addition, PCO supported the Government and the Prime Minister in playing an active and constructive role in climate change talks at the international level, notably at the United Nations Climate Change Conference in December 2009, which resulted in the Copenhagen Accord.

PCO provided a challenge function for a number of Memoranda to Cabinet promoting the Government's social agenda, such as refugee reform, retirement income and employment insurance, Aboriginal rights,

[11] www.afghanistan.gc.ca

and missing and murdered Aboriginal women. PCO provided the same challenge function for a number of initiatives to tackle serious crime, including measures facilitating the effective investigation of cyber-crime and crimes committed via computers and modern telecommunications. These measures would require Internet service providers to report child pornography; amend the *Youth Criminal Justice Act*; address white collar crime; restrict the availability of conditional sentences for serious offences, adding the abuse of a position of authority or access to a secure area to facilitate trafficking of illegal drugs as an aggravating factor for sentencing; restrict credit for time served at a one-to-one ratio; and strengthen the use of the National Sex Offender Registry and the National DNA Data Bank.

4. Supporting Effective Operation of the Government

Public service advice and support are provided in an integrated and coordinated manner to the Prime Minister and portfolio ministers on the development and implementation of the Government's parliamentary, legislative and democratic reform agendas, as well as on the management of specific issues, including matters of confidence. This includes significant policy and legislative issues as well as parliamentary and constitutional challenges facing the Government.

From April 1, 2009 to March 31, 2010, the Government introduced 55 Bills in Parliament, and 32 Bills received Royal Assent. In 2009-10, PCO managed a total of approximately 2,300 Parliamentary Returns, including the preparation of responses and tabling of answers to 799 Order Paper Questions posed to the government by MPs and the coordination and tabling the response to 1498 petitions to the Government.

Over the year, PCO has provided advice to the Prime Minister on managing the Government's economic and social agenda, and key considerations such as machinery implications for the Government in delivering on its priorities for each ministerial portfolio dealing with these issues across the Government. This advice was designed to support the Prime Minister in determining ministerial mandates and responsibilities and defining government priorities. For example, PCO supported the Prime Minister in setting out the Government's priorities announced in the Speech from the Throne, as well as in Budget 2010 and in adjusting Cabinet responsibilities.

Recent examples of how the work of PCO has played a key supporting role in meeting Government priorities was reflected in the creation of two regional development agencies: Canadian Northern Economic Development Agency, with the goal of attaining a prosperous economic future for those who live and work in the North, and the Federal Economic Agency for Southern Ontario, which helps workers, businesses and communities in Southern Ontario take advantage of opportunities as the economy recovers. Both these federal agencies were launched in August 2009.

In 2009-10, to support the Governor-in-Council[12] appointment process, PCO introduced new policies and guidelines and improved business processes. The Governor-in-Council website is updated daily to provide the general public, interested candidates and appointees with information on Governor-in-Council appointment opportunities, guidelines for public officeholders, and terms and conditions for appointees. Development of an online application system has begun to simplify and expedite the process for interested candidates.

PCO continued to coordinate and provide strategic communication and operational support for multilateral and bilateral meetings and activities with provinces and territories including First Ministers' meetings and a Cabinet Secretaries' meeting.

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[12] http://www.appointments-nominations.gc.ca/index.asp?lang=eng

In support of the Prime Minister and the portfolio ministers, PCO provided correspondence management services including responding to email messages, letters and telephone calls from the general public, as well as issuing greetings and messages signed by the Prime Minister in recognition of special events. Generally, the Canadian public submits comments to the Prime Minister on a wide variety of issues that are of relevance and concern to them. The volume of correspondence is issue-driven and fluctuations from year to year are common.

Whether it's a letter from US President Obama or a drawing sent by a child, all of the non-partisan mail addressed to the Prime Minister is processed by PCO. In 2009-10, PCO received 2,475,573 pieces of correspondence.

For example, Canadians send emails on more than 350 different topics each year. In 2009-10, 15 different paper write-in campaigns generated more than 10,000 pieces of correspondence each, including topics such as violence against women marking the 20th anniversary of the Montreal Polytechnique tragedy, seal hunt, climate change and food safety for developing countries.

For more information on the year-over-year trends of Correspondence Activities[13], please see Annex II of the online extended Departmental Performance Report.

Benefits for Canadians

By providing non-partisan advice and support, PCO enables the Prime Minister and the portfolio ministers to lead the Government's agenda and the country in delivering benefits and responding to Canadians' needs and interests.

PCO provided advice to the Prime Minister on managing the Government's agenda and addressing key issues. This is illustrated by the 3,027 briefing materials signed by the Clerk and forwarded to the Prime Minister.

As a central agency, PCO plays a critical role in ensuring a whole-of-government approach and integrated response to issues that affect Canadians. PCO works across portfolio boundaries and helps government departments meet their responsibilities, deliver on their core mandates, and ultimately, serve Canadians better. By advising on federal/provincial/territorial relations, PCO contributes to the provision of a stable political environment that enables strong economic growth and prosperity. The management of Canada's foreign affairs, national security, intelligence and the defence of Canada and Canadians falls directly within the ambit of the federal government's constitutional responsibilities. PCO's continued role in this area is vital to the national security and prosperity of Canadians, and the promotion of strong international affairs. These responsibilities are fundamental duties of any Government to its citizens.

2009-10 Achievements

The table below provides a one-to-one correspondence between the planned activities included in the 2009-10 Report on Plans and Priorities and the 2009-10 achievements.

PLANNING HIGHLIGHTS	2009-10 ACHIEVEMENTS
Move forward policy measures that will create jobs, provide stimulus in the downturn, and secure Canada's future prosperity, while protecting the Canadians	PCO provided advice and helped coordinate the implementation of the EAP commitments with respect to funding for infrastructure, arts and culture, funding for communities negatively impacted by the economic downturn, as well as assistance for the Agricultural Sector.

[13] http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=dpr-rmr/2008-2009/annex/annex-eng.htm#3.0

PLANNING HIGHLIGHTS	2009-10 ACHIEVEMENTS
most impacted by the economic downturn, including through investments in housing, help for families caring for loved ones with disabilities, and the removal of barriers to labour market participation and mobility	PCO contributed to the timely implementation of measures of the Budget 2009 initiatives, aimed at creating jobs and providing stimulus to the economy (e.g., Infrastructure Stimulus Fund, Community Adjustment Fund). PCO provided support to Human Resources and Skills Development Canada (HRSDC) and Canada Mortgage and Housing Corporation (CMHC) on the implementation of stimulus initiatives with respect to affordable and accessible housing, as well as support for children, seniors, and people with disabilities. PCO provided policy guidance to CMHC on their consultations with provinces/territories on the Housing and Homelessness Program. PCO provided policy support to HRSDC in their consultations on the ratification of the UN Convention on the Rights of People with Disabilities.
Ensure the federal government operates more effectively through reform and streamlining of administrative procedures and strengthened management of Crown corporations	The 2009-10 Governor-in-Council review of 2,700 positions in over 200 organizations across 24 ministerial portfolios resulted in the proposal to eliminate 245 Governor-in-Council positions and, in a few cases, to convert Governor-in-Council positions to public service positions. The purpose of the review was to improve the governance and functioning of federal organizations while maintaining quality government services to Canadians. PCO provides regular workshops for departmental officials, ministerial exempt staff, and Crown corporation corporate secretaries to provide guidance on the appointments process. A program of one-on-one sessions was reinstated to provide training and orientation for newly appointed Chairs, Chief Executive Officers of Crown Corporations, Heads of Agencies, and senior officials. PCO updated its publication, *A Guide to Managing the Governor-in-Council Appointments Process.* To ensure effective management and fulfillment of mandate, vacancies in Governor-in-Council positions must be minimized. To facilitate this, PCO provides a monthly vacancy management report to each portfolio department and each Minister's office, to enable them to monitor terms and take action accordingly. PCO sought and obtained the cooperation of the 48 Crown corporations in updating their Board profiles to be posted on the Governor-in-Council website. Board profiles are essential to understanding the competencies required and to optimizing Board performance.
Strengthen Canada's sovereignty and place in the world through: • ensuring the sovereignty of Canada's Arctic	PCO continued to support the Government in strengthening Canada's sovereignty and place in the world while contributing to the security and sovereignty of Canada's Arctic.
• modernizing Canada's military • articulating the Government's national security policy	PCO continued to actively coordinate departments and agencies in the development of various security policies, including issues related to modernizing Canada's military. It also supported the Advisory Council on National Security in providing advice to the Prime Minister on these issues.
• continuing to cooperate with the United	PCO collaborated with other departments in undertaking successful negotiations

PLANNING HIGHLIGHTS	2009-10 ACHIEVEMENTS
States in defending North America and advancing North American prosperity and security	with the United States and obtaining timely Cabinet consideration and approval for the transformation of the Shiprider[14] pilot project into an Integrated Cross-Border Maritime Law Enforcement Framework Agreement[15] (formally signed on May 26, 2009).
• fulfilling Canada's responsibilities to and advancing our interests within the United Nations, the North Atlantic Treaty Organization (NATO) and the G8, as well as with allies;	PCO has supported the Prime Minister in multiple international summits and visits abroad, in addition to meetings in Canada with foreign leaders and dignitaries.
• building on Canada's accomplishments in Afghanistan	PCO provided advice and supported the implementation of Canada's whole-of-government engagement in Afghanistan[16], focused on the six priorities and three signature projects. To this end, PCO contributed to the development of effective Canadian responses and approaches to issues such as the 2009 Afghan presidential election, and integration and collaboration with key allies such as the United States. PCO also continued to support the Cabinet Committee on Afghanistan, as well as to coordinate the production of quarterly reports on Canada's mission in Afghanistan.
Strengthen the federation and its specific initiatives to make Canada's institutions and processes more democratic and more accountable, and promote democratic institutions abroad	PCO provided advice to the Prime Minister and Minister of Intergovernmental Affairs on the Government's commitments on the application of open federalism. PCO also supported the development of measures to strengthen Canada's democratic institutions, such as Aboriginal voter identification, election expenses and senatorial elections, consistent with the Speech from the Throne.
Develop and implement initiatives aimed at securing Canada's energy future, tackling climate change and preserving Canada's environment	PCO provided advice for programs such as Clean Energy Fund and ecoEnergy Retrofit, introduced through Budget 2009. PCO coordinated the implementation of new initiatives under the Northern Strategy, including environmental sustainability initiatives.
Keep Canadians safe through tackling serious crime, strengthening the justice system and improving protection from hazardous products and unsafe food	PCO provided a challenge function for a number of Memoranda to Cabinet that promote tackling serious crime, including facilitating the effective investigation of cyber-crime and crimes committed via computers and modern telecommunications, requiring Internet service providers to report child pornography; amending the *Youth Criminal Justice Act*; addressing white collar crime; restricting the availability of conditional sentences for serious offences, adding abusing a position of authority or access to a secure area to facilitate trafficking of illegal drugs as an aggravating factor for sentencing; capping credit for time served at a one-to-one ratio; and strengthening the use of the National Sex Offender Registry and the National DNA Data Bank.
Identify emerging issues and engage in medium-term strategic thinking in order to inform Cabinet deliberations and provide advice for the Government's forward-looking agenda	PCO provided support for the Operations Committee in fulfilling its role of providing day-to-day coordination of the Government's agenda. PCO managed and provided legal advice on emerging issues, such as the H1N1 pandemic and the shortage of medical isotopes.
Support security planning for summits and other major national and international events, including the work of the Coordinator for 2010 Olympic and G8/G20 Security	The Office of the Coordinator worked closely with the various federal departments and agencies involved in these security efforts. Among other activities, the Office coordinated security planning with relevant federal, provincial and municipal players and ensured testing of operational readiness and interoperability of security plans.
Enhance the Orders-in-Council Information	The Order-in-Council Division has successfully implemented enhancements to the

[14] http://www.rcmp-grc.gc.ca/ibet-eipf/shiprider-eng.htm
[15] http://www.publicsafety.gc.ca/prg/le/_fl/int-cross-brdr-martime-eng.pdf
[16] For more information on Canada's engagement in Afghanistan, please visit www.afghanistan.gc.ca

PLANNING HIGHLIGHTS	2009-10 ACHIEVEMENTS
System to improve the efficiency and effectiveness of decision-making support to the Governor-in-Council.	Order-In-Council System in May 2009.

2.2 The Cabinet

Provide policy advice and secretariat support to Cabinet and Cabinet committees[17]

PCO facilitates integration across the federal community in support of implementation of the Government's agenda. It engages in consultation with departments and agencies, exercises a challenge function during the policy development process and researches relevant issues. PCO also ensures that proposals take into account issues related to implementation, communications, parliamentary affairs and federal/provincial/territorial relations. PCO helps coordinate the operation of Cabinet and Cabinet committees, including assisting in agenda-setting and providing secretarial support and expert advice to the Cabinet and the Chairs of Cabinet committees on the full range of issues and policies.

Program Activity: The Cabinet – Provide policy advice and secretariat support to Cabinet and Cabinet committees					
2009-10 Financial Resources (thousands of dollars)			2009-10 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
16,365	16,772	16,459	130	125	5

Program Description	Expected Results	Performance Indicators	Performance Summary
To ensure the smooth functioning of Cabinet decision-making, PCO provides policy advice and secretariat support to the Cabinet and Cabinet committees by preparing briefing material and distributing agendas and documents.	The functioning and integrity of the Cabinet decision-making process are maintained.	The Cabinet has received value-added information on which to base decisions. • Number of full meetings of Cabinet and Cabinet Committees Cabinet documents are distributed in a timely manner to ministers. Deputy Ministers are regularly informed of the Government's agenda and activities. • Number of Deputy Minister meetings and Day-long Sessions Departments are able to prepare Memoranda to Cabinet and ministerial presentations that propose action to implement the Government's agenda.	A total of 204 meetings of Cabinet and Cabinet Committees were organized in 2009-10. 71 Deputy Minister meetings, of which 2 were Day-long Sessions.

[17] For a description of the Cabinet committees, please visit http://pm.gc.ca/eng/feature.asp?pageId=53

Performance Analysis

PCO continued to provide secretariat support to the Cabinet and Cabinet committees, and performed a central role in managing the flow of business related to the decision-making process. PCO played a key role in ensuring the coordination of the economic, environmental, social, foreign policy, national security, defence, international assistance and public safety aspects of the Government's agenda across departments, as well as the timely communication of Committee decisions across government. PCO's performance under this program activity is linked to all four themes, but is mainly linked to *Theme 4: Supporting Effective Operation of the Government.*

During the 2009-10 fiscal year, PCO supported 204 Cabinet and Cabinet committee meetings, including 16 Cabinet meetings and 33 meetings of the Priorities and Planning Committee. PCO scheduled the meetings, proposed agendas, organized meeting logistics and invited participating Ministers, coordinated Cabinet documents, prepared scenario notes and assessments on each item, delivered materials to Ministers, took notes, prepared committee reports, debriefs and formal minutes, and issued Records of Decision. As well, PCO was responsible for the coordination of investigations into the security incidents involving Cabinet confidences, and for ensuring an appropriate level of security for meetings. As part of this support to Cabinet, PCO processed a total of 1859 Cabinet documents.[18]

In order to ensure the timely passage of initiatives of the EAP, PCO supported the Government in streamlining the decision-making process so that, as needed, Budget initiatives could be brought directly to the Priorities and Planning Committee for approval. This allowed priority initiatives to be approved with minimum delay while still respecting requirements for due diligence.

During 2009-10, PCO also implemented a new template for Memoranda to Cabinet, which places an increased emphasis on implementation and results. The guidelines and the new template for Memoranda to Cabinet have been distributed to secretariats and departments. Coaching sessions were provided for new PCO analysts, while PCO secretariats worked with departments on how to use the new templates.

Related to its support for Cabinet, PCO continued to advance integration across the Government through its support for a wide range of regular discussions at the level of Deputy Ministers, Assistant Deputy Ministers and below, as well as through its day-to-day interactions with departments and agencies on the development of proposals related to priority issues and the coordination of key functions. This is essential to ensure that the policy advice developed by departments considers the full range of issues across mandates and that Cabinet decisions are implemented in a timely, effective manner. Without this integration, issues with horizontal impact (e.g., EAP, the Afghanistan mission) would be at risk of remaining improperly managed, leading to higher costs, inefficient delivery, and failure to achieve national objectives. Coordination of the Government's policy proposals across different departments is important to the successful implementation of the Government's agenda.

Meetings of Deputy Ministers are a key tool for integrating and coordinating the work across government and supporting the Cabinet decision making process. These include Deputy Minister and Clerk meetings (to develop policy positions on specific issues), weekly Deputy Ministers' Breakfasts (to ensure follow-up on the outcomes of Cabinet and Cabinet Committee meetings), bi-monthly meetings of the Coordinating

[18] Includes all distributed documents, for example the number of Memoranda to Cabinet even if some were withdrawn, number of agendas, Committee reports, records of decision, etc. The number includes each time a document was revised.

Committee of Deputy Ministers (Senior Deputies discuss key issues), and semi-annual Deputy Ministers' Day-long Sessions (Deputy community discusses management priorities and policy issues). During 2009-10, there were 71 Deputy Minister-level meetings. In addition, the National Security Advisor to the Prime Minister convened 15 meetings of the Deputy Minister level Advisory Committee on National Security, including meetings of the new sub-committees on border management and cyber-security, while the Deputy Minister of the Afghanistan Task Force convened bi-weekly meetings of the Deputy Ministers' Coordinating Committee on Afghanistan.

Benefits for Canadians

PCO's support for the Cabinet and Cabinet committees and its role in facilitating integration across the federal government constitute core government services, enabling the effective functioning of the entire federal system. The support provided to these committees is essential to the implementation of the Government's agenda, which is expressed in the Speech from the Throne, the Budget, Ministers' mandate letters and government priority announcements. Cabinet committees are the decision-making bodies of the Government.

2009-10 Achievements

The table below provides a one-to-one correspondence between the planned activities included in the 2009-10 Report on Plans and Priorities and the 2009-10 achievements.

PLANNING HIGHLIGHTS	2009-10 ACHIEVEMENTS
Establish the weekly schedule of the Cabinet and Cabinet committee meetings	PCO establishes the weekly schedule of Cabinet committees, based on the availability of Committee Chairs, participating Ministers and various other factors. The Cabinet Paper Systems Unit (CPSU) continued to ensure liaison with Ministers' offices, various secretariats in PCO, security personnel, information technology experts, and with Public Works and Government Services Canada interpreters to keep them informed of the weekly schedule of meetings.
Manage the security and accountability of all Cabinet documents and meetings	• CPSU tracked all Cabinet documents issued to recipients (over 130,000 copies). • CPSU continued to ensure that security procedures were followed by liaising with Cabinet documents Controllers and departmental security officers. • CPSU provided 66 training sessions to departmental personnel responsible for managing Cabinet documents within their departments/offices. • CPSU conducted 100 verifications in recipient offices and provided findings to the Deputy Secretary to the Cabinet (Operations) when control issues were identified.
Implement a new template for Memoranda to Cabinet with enhanced emphasis on implementation and results	The guidelines and new template for Memoranda to Cabinet have been distributed to secretariats and departments, and were published on the PCO website. Coaching sessions were provided for new PCO analysts. PCO secretariats worked with departments to successfully use the new templates and ensured its new requirements have been met.
Exercise a challenge and coordination function with respect to policy and legislative proposals being brought forward by departments	PCO secretariats performed standard challenge function roles in the review of all Cabinet documents, including Memoranda to Cabinet. CPSU continued to ensure coordination of documents being brought forward to Cabinet and Cabinet committees for review by verifying that format and guidelines are followed and deadlines are met.
Provide whole-of-government leadership in the development of strategic policy as well as the integration and coordination of the	PCO continued to provide strategic policy development and integration, coordinate federal government activities and operations in Afghanistan, track implementation of the Government's strategy and build coherence in

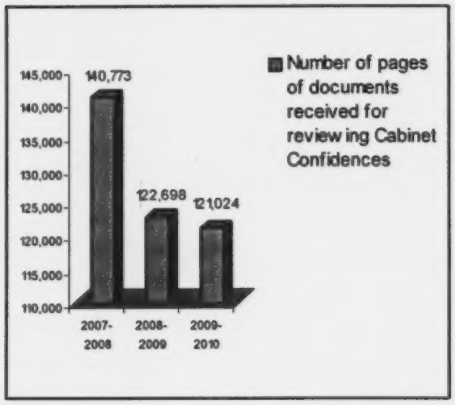
PLANNING HIGHLIGHTS	2009-10 ACHIEVEMENTS
Government's activities and operations in Afghanistan.	communicating the mission to Canadians and international audiences. PCO also continued, in collaboration with other departments, the transformation of Canada's engagement in Afghanistan to an integrated and joint civilian-military partnership, embodying the philosophy "one mission, one team." PCO-led interdepartmental Assistant Deputy Minister level meetings (weekly), and Deputy Minister-level meetings (bi-weekly) ensured effective implementation and coordination of government policy on Afghanistan.
Manage the work of the Deputy Minister Security and Intelligence Committee, which is chaired by the National Security Advisor to the Prime Minister.	Through the provision of logistical support, strategic advice and coordination, PCO continued to support the National Security Advisor to the Prime Minister in her role as chair of this Committee.

Cabinet Confidences

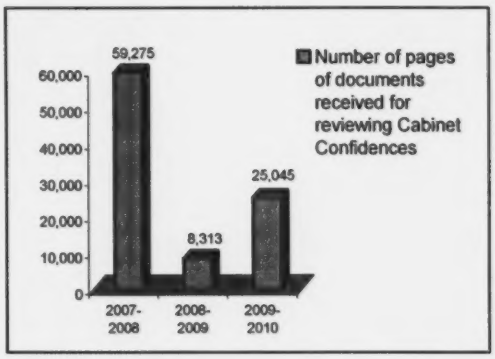
PCO supports the Clerk in his role as custodian of Cabinet confidences[19] from current and previous ministries and is responsible for providing advice on related policy and legal issues. PCO serves as the primary contact for all federal departments and agencies regarding Cabinet confidences. It advises on requests by the Courts for the production of Cabinet confidences under the *Canada Evidence Act* and under the provisions of the *Access to Information Act* and *Privacy Act* that apply to Cabinet confidences. It provides litigation support to the Department of Justice and agents of the Attorney General in cases where claims of Cabinet confidentiality are subject to court challenges.

[19] The collective decision-making process of the Cabinet has traditionally been protected by the rule of confidentiality that allows ministers to engage in full and frank discussions, expressing their personal views within Cabinet, while maintaining the principle of collective responsibility by supporting government decisions in public.

Cabinet Confidences (s. 69 of the *Access to Information Act* and s. 70 of the *Privacy Act*)



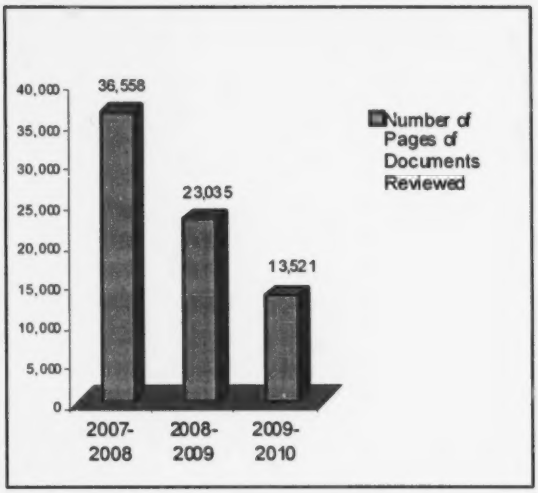
Cabinet Confidences[20] (s. 39 of the *Canada Evidence Act*)



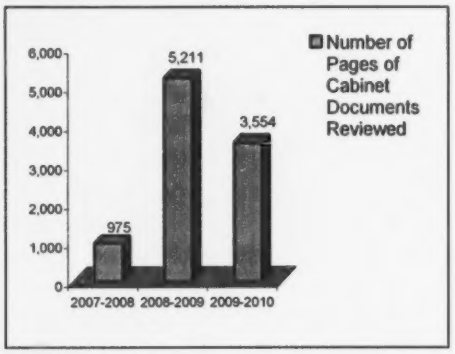
PCO is also responsible for reviewing and fulfilling requests for Cabinet documents from the Office of Auditor General, as well as reviewing documents to be produced for Crown litigation, Commissions of Inquiry and parliamentary committees. The following chart shows the number of pages and documents received for review.

[20] The volume of submissions under the *Canada Evidence Act* can vary significantly from one year to the next. Such volume variances are due to fluctuation in the occurrence and magnitude of litigation cases. The fluctuation depends on unpredictable factors such as the number of court actions and the nature of the claims, as well as directions and deadlines imposed by the courts.

Litigation/Commissions of Inquiry – Production of Documents



Cabinet Documents (Requests from the Auditor General) Orders-in-Council P.C. 1985-3783 and P.C. 2006 1289



2.3 The Public Service

Provide overall leadership and direction to the Public Service in support of the Government agenda

PCO sets strategic direction to foster a high-performing and accountable public service that has the talent, capacity and management frameworks to provide advice on and implement the Government's agenda. It also plays a key role in succession planning, selection, compensation, performance management and development of senior leaders in the Public Service.

Program Activity: The Public Service: Provide overall leadership and direction to the Public Service in support of the Government's agenda

2009-10 Financial Resources ($ thousands of dollars)			2009-10 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
2,553	3,683	3,573	20	26	(6)

Program Description	Expected Results[21]	Performance Indicators	Performance Summary
The Privy Council Office sets the strategic direction for the Public Service. The goal is to foster a high-performing and accountable Public Service that has the leadership, talent, capacity and management frameworks needed to provide advice on and implement the Government's agenda. PCO plays a key role in succession planning for senior leaders in the Public Service, as well as in their selection, performance management and development.	The Public Service has the leadership, talent, capacity and management frameworks needed to provide advice on and implement the Government's agenda.	The Public Service is engaged in renewal activities. The Clerk is provided with advice and support on Public Service Renewal. • Report of the Prime Minister's Advisory Committee on the Public Service • *Clerk's Annual Report to the Prime Minister on the Public Service of Canada*[22] • Public Service Renewal Action Plan[23] • Number of Deputy Minister Committee meetings (11) • Number of Prime Minister's Advisory Committee meetings (2) The Committee of Senior Officials is provided with advice and support. • Number of Committee of Senior Officials and sub-committee meetings (10)	Through regular meetings of the Committee of Senior Officials, PCO supports the Clerk in managing the senior leadership cadre of the Public Service. Extensive succession planning and talent management plans were developed for the senior ranks of the Public Service including an analysis of demographic pressures. The Clerk's *Seventeenth Annual Report to the Prime Minister on the Public Service of Canada* was tabled and released in March 2010. The performance of all Governor-in-Council appointees, who are subject to the Performance Management Program, was assessed. This included all Deputy Ministers, Associate Deputy Ministers, Heads of Agencies, Chief Executive Officers of Crown Corporations and other senior Governor-in-Council appointees. All new Governor-in-Council appointees were briefed on available orientation and training to ensure awareness of roles and accountabilities. There were 14 meetings and 5 selection meetings for leadership development programs.

[21] Establishing targets for performance is not suitable for provision of advice and support.
[22] http://www.clerk.gc.ca/eng/feature.asp?featureId=19&pageId=231
[23] http://www.clerk.gc.ca/eng/feature.asp?featureId=19&pageId=73

Performance Analysis

PCO's performance under this Program Activity is mainly linked to Theme 4: *Supporting Effective Operation of the Government.*

PCO maintained its leadership role in the area of Public Service Renewal through agenda setting, research, analysis and planning. Public Service Renewal is "an ongoing, overarching strategy aimed at equipping public servants to better serve the Government, using new tools and approaches but fulfilling the same mission of excellence in service to Canadians"[24]. Public Service Renewal is the Clerk's top management priority in his role as Head of the Public Service. The ongoing focus of renewal in 2009-10 was on Integrated Planning, Recruitment, Employee Development and Enabling Infrastructure (now called Renewing the Workplace).

PCO provided direct support to the Clerk in advancing the Public Service Renewal agenda and provided policy advice to support senior decision-making on renewal strategies. PCO also provided secretariat and policy support to both the Prime Minister's Advisory Committee on the Public Service and the Deputy Minister Committee on Public Service Renewal, as well as its sub-committees.

> *I was appointed Clerk of the Privy Council and Secretary to the Cabinet by the Prime Minister on July 1st, 2009.*
> *I consider myself very privileged to have thus far experienced such a varied and rewarding career. I am very honoured to serve as the Clerk of the Privy Council and excited and optimistic about continuing to serve Canadians.*
> **(Wayne Wouters, Clerk of the Privy Council)**

In February 2010, the Prime Minister's Advisory Committee on the Public Service, supported by PCO, released its *Fourth Report to the Prime Minister* entitled "*A Relevant and Connected Public Service.*" In March 2010, the Clerk submitted the *Seventeenth Annual Report to the Prime Minister on the Public Service of Canada* outlining the Public Service Renewal accomplishments and the priorities going forward.

Public Service Renewal was initially focused on the workforce. Having made significant progress in this area, the focus is now expanding. To this end, while maintaining the emphasis on people and their management, greater attention will be dedicated to the public service workplace.

> One of the Clerk's priorities for workplace renewal is taking advantage of collaborative technologies, such as GCPEDIA, the Government of Canada's wiki. As of March 1, 2010, there were 12,677 public servants registered on GCPEDIA and 5,916 content pages.

PCO continued to provide advice and support to the Committee of Senior Officials and its sub-committees. This support provided members with an understanding of the challenges facing the leadership cadre, such as changing demographics, succession planning, performance management and leadership development.

PCO also increased intergovernmental collaboration on Public Service Renewal by coordinating in January 2010 a meeting of heads in the federal, provincial and territorial public services to share information and best practices in support of a high performing and accountable public service.

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[24] *Seventeenth Annual Report to the Prime Minister on the Public Service of Canada*, p.1

Over the past several years, there have been significant improvements in the rigor of the Performance Management Program for the Governor-in-Council communities, viewed by the Advisory Committee on Senior Level Retention and Compensation as a best practice. The changes to performance management have required additional effort to handle the changing nature of PCO's business and the level of support the Senior Personnel Secretariat provides. During the fiscal year 2009-10, PCO administered the Performance Management Program for over 150 Governor-in-Council appointees.

PCO reinstated a program of one-on-one orientation sessions for newly appointed Chairs, Chief Executive Officers of Crown corporations, Heads of Agencies, by senior officials at PCO and other central agencies. A series of Learning Advisory Committees regularly reviews the curriculum and provides feedback into the design of these sessions.

Lessons Learned

The Public Service Renewal agenda must evolve to stay relevant. While Integrated Planning, Recruitment and Employee Development – the workforce pillars – remain important to the renewal agenda, moving forward, greater attention will be paid to the fourth pillar Renewing the Workplace. Renewal efforts will focus on how and where we work, the tools with which we work and what work we should be doing.

Benefits for Canadians

The success of the country hinges on a strong and capable public service. In helping the Public Service to address issues such as the aging workforce, competitive labour markets and increasing complexity in the nature of their work, PCO is ensuring that the Public Service retains the capacity to serve the Government and Canadians over the coming decades. In addition, in supporting accountability and management excellence in the Public Service, PCO contributes to the effective and efficient delivery of programs and services to Canadians.

2009-10 Achievements

The table below provides a one-to-one correspondence between the planned activities included in the 2009-10 Report on Plans and Priorities and the 2009-10 achievements.

PLANNING HIGHLIGHTS	2009-10 ACHIEVEMENTS
PCO will continue to implement the key pillars of renewal, as recommended by the Clerk of the Privy Council in the Fifteenth Annual Report to the Prime Minister on the Public Service of Canada. The Clerk's Sixteenth Annual Report to the Prime Minister (issued in March 2009) on the Public Service of Canada will further develop these themes.	• PCO provided advice to the Clerk on the renewal and management of the Public Service and supported outreach to public servants at all levels, in departments and communities, including the use of social media. • PCO supported development of the Clerk's *Seventeenth Annual Report to the Prime Minister on the Public Service*, which was tabled in both Houses of Parliament. • PCO supported the Chair and members of the Deputy Minister Committee on Public Service Renewal including 11 Committee meetings during 2009-10. • PCO provided policy and secretariat support for the work of the Committee as well as four Sub-Committees that were tackling enterprise-wide issues. • PCO developed the 2009-10 Public Service Renewal Action Plan. • PCO supported the Co-Chairs and members of the Prime Minister's Advisory Committee on the Public Service including two Committee meetings during 2009-10.

PLANNING HIGHLIGHTS	2009-10 ACHIEVEMENTS
	• PCO provided research and analysis in support of Committee areas of interest.
To ensure that the Public Service reflects non-partisanship, excellence and leadership at all levels, PCO will sponsor the year-long *Canada@*150 initiative, a leadership development opportunity for 150 federal public servants who are just beginning their careers to learn about and contribute to policy analysis and development. Participants selected from across the Public Service will take part in this initiative until June 2009.	The fourth and final *Canada@*150 conference was held from June 1 to 3, 2009, in the National Capital Region. The final conference was an opportunity for participants to reflect on the work they have accomplished in the past year (June 2008 to June 2009), where they identified and examined the key policy challenges the country is likely to face in 2017 (Canada's 150th birthday). The *Canada@*150 project brought together 150 early-career public servants from across the country, from every department, and with a range of educational and professional backgrounds. The final conference was also a chance for participants to look ahead to the future and consider how they can continue to be public service entrepreneurs and leaders after the conclusion of the formal *Canada@*150 initiative.

2.4 Commissions of Inquiry

Provide Commissions of Inquiry with financial and administrative support

Commissions of Inquiry are small organizations that operate at arm's length from the Government. PCO provides these entities with a consistent administrative framework and immediate access to internal services that are part of the PCO's existing infrastructure and, as a result, Commissioners can carry out their mandate without delay and investigate and report on matters of public interest.

Program Activity: Commissions of Inquiry – Provide Commissions of Inquiry with financial and administrative support					
2009-10 Financial Resources[25] (thousands of dollars)			2009-10 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
4,621	13,731	11,730	12	29	(17)

Program Description	Expected Results[26]	Performance Indicators	Performance Status
The Privy Council Office provides financial and administrative advice, guidance and support to Commissions of Inquiry from initial start-up to conclusion.	Commissions of Inquiry receive required resources, as well as advice and guidance on financial and administrative matters.	Commissions of Inquiry have received appropriate resources, as well as the necessary services, advice and guidance in a timely manner.	During 2009-10, PCO supported four Commissions of Inquiry, providing resources, services, advice and guidance in a timely manner.

[25] The Planned Spending / Total Authorities / Actual Spending reflect the total cost of Commissions of Inquiry, even though PCO only supports administratively these organizations.

[26] The creation of a Commission of Inquiry is unpredictable and depends on external situations. Therefore, targets and/or trends are not appropriate for this program activity.

Performance Analysis

PCO's performance under this Program Activity is mainly linked to Theme 4: *Supporting Effective Operation of the Government.*

When a Commission of Inquiry is created, PCO usually initiates the arrangements for accommodations, furnishings and equipment to ensure that the Commission's work proceeds efficiently and unimpeded. PCO also ensures that administrative advice and support are provided to each Commission on an ongoing basis for processes such as hiring staff, acquisition services, contracting, financial services, access to funding, records management, payroll support, translation, security and systems support.

PCO also provides a broad range of legal expertise to support the work of Commissions of Inquiry. During the course of an inquiry, PCO serves as a point of contact between Commissioners and the Government. In cases where government departments come under scrutiny, PCO can assist departments in responding to a Commission's requests for documents and witnesses. PCO staff develop Treasury Board submissions on behalf of the Commission and set up contribution programs for participants. They advise on how to establish library services and provide advice on the creation of and archiving the Commission's website. PCO staff manage the payroll for commission employees, ensure the security of information systems and even help place newspaper advertisements on notices of public hearings.

Commissions of Inquiry are established by the Governor-in-Council (Cabinet) to fully and impartially investigate issues of national importance. When a Commission of Inquiry is formed, it is expected to start to function immediately. That means getting an office up and running as soon as possible.

During 2009-10, the following guidelines were updated, revised and/or developed and distributed, in order to provide greater clarity of roles and responsibilities:

- Administrative and Financial Guidelines (revised June, 2009)
- Operational Procedures for Commission of Inquiry Contracts (first issue April 7, 2009)

During 2009-10, PCO supported the following Commissions of Inquiry:

On November 5, 2009, the Governor in Council issued an Order in Council[27] for the Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River[28]. The Commission moved into its office in Vancouver, British Columbia on February 1, 2010. Through PCO, computers and other equipment were procured and installed by early February 2010. Security features were also added by PCO to ensure the protection of classified government documents.

The Commission of Inquiry into Certain Allegations Respecting Business and Financial Dealings Between Karlheinz Schreiber and the Right Honourable Brian Mulroney[29] delivered Commissioner Jeffrey J. Oliphant's report on May 31, 2010. The Commission's operations were wound up in July 2010.

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[27] http://www.cohencommission.ca/en/TermsOfReference.php
[28] http://www.cohencommission.ca/en/
[29] http://www.oliphantcommission.ca/

The Internal Inquiry into the Actions of Canadian Officials in Relation to Abdullah Almalki, Ahmad Abou-Elmaati and Muayyed Nureddin[30] issued a supplement to Commissioner Frank Iacobucci's report on February 23, 2010 and the Commission's operations were wound up in April 2010.

The Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182[31] was active throughout 2009-10 and Commissioner John C. Major's report was submitted in June 17, 2010. The Commission's operations will be completed by August 2010.

Generally, the risks associated with Commissions of Inquiry are external to PCO's control. The issues and concerns that lead to independent investigations tend to be unique in nature and the time and effort required to conduct an investigation vary with circumstances. Total costs associated with commissions influence PCO's budget on a year-to-year basis. A potentially increased risk is posed by the current Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River, as its offices are operating outside of Ottawa. PCO uses mitigation strategies to ensure that security, information technology, and financial resources are provided and the offices are functioning smoothly.

Lessons Learned

In 2009-10, PCO conducted a *Follow-up Review of the Contribution Program for Participants appearing before the Commission of Inquiry into Certain Allegations Respecting Business and Financial Dealings Between Karlheinz Schreiber and the Right Honourable Brian Mulroney* to provide assurance that recommendations from a 2006 Management Framework Review have been effectively implemented. The review concluded that PCO took the necessary steps to implement the recommendations from the 2006 Management Framework Review. Four recommendations were made in the report and a management action plan was prepared to address them. The Report, including the management action plan, is available on PCO's website[32].

Benefits for Canadians

Commissions of Inquiry are provided with internal services support, resources and guidance to accomplish their mandates to investigate incidents for public interest. Moreover, through its support, PCO contributes to the transparency and accountability of the Government.

2009-10 Achievements

The table below provides a one-to-one correspondence between the planned activities included in the 2009-10 Report on Plans and Priorities and the 2009-10 achievements.

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[30] http://www.iacobucciinquiry.ca/

[31] http://www.majorcomm.ca/en/index.asp

[32] http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=publications&doc=audit-verification6/audit-verification6-eng.htm

PLANNING HIGHLIGHTS	2009-10 ACHIEVEMENTS
Provide Commissions of Inquiry with Internal Services support	PCO provided ongoing Internal Services to three commissions of inquiry that were created prior to fiscal 2009-10, and to the Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River which was created on November 5, 2009.
Provide arrangements for implementation of new Commissions of Inquiry, as necessary	PCO provided arrangements for the implementation of the Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River which moved into an office space in Vancouver, BC on February 1, 2010. Through PCO computers and other equipment were procured and installed by early February 2010. Security features were also added by PCO to ensure the protection of classified government documents.
Provide general legal support to the Government of Canada with respect to Commissions of Inquiry	PCO provides advice to Cabinet, which decides whether to make a Commission's report public. Most reports are tabled in the House of Commons at the time of their release and made available to the public.

2.5 Internal Services

Provide services and to support the needs of PCO and fulfil corporate obligations of the organization

Internal services are groups of services, activities and resources that are administered to support the needs of programs and other corporate obligations of PCO. The services and resources provided are related to the following areas: Management and Oversight Services; Access to Information and Privacy; Communications; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Accommodation Management; Materiel Management; Acquisition Services; Travel Services; Audit and Evaluation; Security Operations; and Other Administrative Services. Internal Services include activities and resources that apply across PCO.

Program Activity: Internal Services – Provide services and resources to support the needs of PCO and fulfill corporate obligations of the organization					
2009-10 Financial Resources (thousands of dollars)			2009-10 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
48,515	64,098	59,218	310	338	(28)

Performance Analysis

During 2009-10, PCO continued to strengthen its internal security, including planning in the area of emergency management, as well as the security of its networks, telecommunications, offices and (top) secret locations.

PCO continued to enhance its internal security and emergency management capacity relative to the safety and protection of personnel, information and assets; PCO's response and readiness to act in emergencies and disruptions; and security coordination around priority events. It also strengthened its occupational health and safety posture by establishing a formal Occupational Health and Safety Program along with associated training and awareness.

Security screening and security awareness at the most senior levels of government are crucial to the functioning of government. Ensuring the suitability and fitness for office of candidates to Cabinet and public office positions is an important element in the integrity of government.

An Integrated Risk Management Handbook was recently drafted and when finalized will help Senior Executives engage in the Corporate Risk Management Process.
During 2009-10, the total number of requests received under the *Access to Information Act* was 492. The total number of requests completed during the reporting year was 545 (include the requests that were active / incomplete as of April 1, 2009)[33].

As a department, PCO is actively adopting Public Service Renewal principles, illustrated in Section 2.3. To this end, in February 2010 a Collaborative Network Environment based on Web 2.0 technology was created, enabling PCO employees to voice their opinions during a three week period and propose innovative activities that would contribute to making PCO a better place to work.

To ensure accountability to Canadians, PCO continued to address the challenges of developing a meaningful outcome-oriented performance measurement. PCO's Performance Measurement system continues to be under development. Although, as noted in Section 1: Departmental Overview, the effectiveness of policy advice to the Prime Minister is extremely difficult to measure, PCO's view is that it continues to provide the highest quality advice, as reflected in the Prime Minister's informal feedback. Currently, PCO uses largely output-based performance indicators in order to make operational decisions on workload and distribution of effort within the Department. It is extremely challenging to measure the quality of policy advice, integration and coordination. However, PCO responds to the qualitative feedback that it receives and adjusts its way of working to deliver to the highest standards. Issues continue to be managed in a timely and responsive way, allowing the Prime Minister to provide direction across the full range of government operations.

In 2009-10, PCO's Information Technology Services upgraded several systems, including the Senior Personnel Appointments System, the web-based Parliamentary Returns System, and the Executive Correspondence Unit System. The Governor-in-Council Appointments Website, which is refreshed daily, provides information on opportunities and access to selection processes for leadership and quasi-judicial positions in more than 200 organizations with listings of all Governor-in-Council positions showing encumbered and vacant positions. To further increase access and transparency, development of an online application system is being undertaken to simplify and expedite the application process.

Human Resources are foremost in ensuring PCO is well-positioned to address the challenges and the workflow that emerges while providing the best quality work. During 2009-10, PCO continued to implement the 2007-10 Strategic Human Resources Plan and drafted the 2010-13 Strategic Human Resources Plan. PCO continued to implement the findings of the *Report of the Expert Panel on Integrated Business and Human Resources Planning in the Federal Public Service*. PCO produced its third Integrated Business and Human Resources Plan, further integrating the business requirements with human resources needs. Enhancing the Plan will mitigate risks associated with financial, human and technical resources in order to carry out the business of PCO.

[33]Source: Annual Report by PCO about the *Access to Information Act*

Lessons Learned

The creation of the Occupational Health and Safety Program helps to protect PCO employees, and places PCO in compliance with federal health and safety legislation, regulations, standards and policies. As a Department whose primary area is provision of advice and coordination, PCO continues to face the challenges of developing a meaningful and outcome-oriented performance measurement framework.

Benefits for Canadians

By strengthening internal services, including internal security, integrated business and human resources planning and performance measurement, PCO demonstrates leadership and support for a transparent and accountable government. This facilitates the effective and efficient delivery of programs and services to Canadians, which help PCO fulfil its mandate in support of the Government agenda and decision-making and supports a wide variety of benefits to Canadians.

2009-10 Achievements

The table below provides a one-to-one correspondence between the planned activities included in the 2009-10 Report on Plans and Priorities and the 2009-10 achievements.

PLANNING HIGHLIGHTS	2009-10 ACHIEVEMENTS
Strengthen management of internal security by enhancing PCO's planning and its readiness posture in the areas of emergency management and occupational health and safety.	PCO worked to develop a more integrated view of the departmental requirements for security, emergency management, business continuity planning, and occupational health and safety, and to develop strategies and objectives to meet these requirements. PCO's Occupational Health and Safety Program was established in April 2009.
Continue to focus on providing objective and independent value-added assurance services, including delivering on audit projects outlined in the approved Annual Audit Plan, and developing a strategically focused risk-based Evaluation Plan that is consistent with departmental and government-wide evaluation priorities. PCO will also establish a new evaluation committee.	PCO delivered four of five major planned assurance projects and implemented management action plans in response to audit and evaluation recommendations. This contributed to targeted improvements in risk management, governance and control processes, and more effective departmental activities. PCO established a new independent Audit Committee and a new Evaluation Committee which strengthened audit and evaluation infrastructure. While the requirement for PCO to produce a risk-based evaluation plan was eliminated when the new Treasury Board Secretariat Policy on Evaluation was amended, PCO will continue to conduct evaluations considered appropriate to its needs.
Ensure the integration of human resources and business plans and continue to implement the 2007-10 Strategic Human Resources Plan and the Integrated Business and Human Resources Plan, as well as refine the planning processes for future years.	PCO continued to implement the 2007-10 Strategic Human Resources Plan and drafted the 2010-13 Strategic Human Resources Plan. The focus of the integrated business and human resources planning process has been made more strategic through the development of a new process, which allows for a clear statement of business objectives and a better alignment if the resources to PCO's priorities. .
Improve reporting to Parliament by implementing the second year of a multi-year performance measurement strategy.	PCO continued to address the challenges of developing a meaningful outcome-oriented performance measurement framework (for a department whose main activity is provision of advice).

SECTION III

SUPPLEMENTARY INFORMATION

Financial Highlights

Condensed Statement of Financial Position

(in thousands of dollars)

At March 31, 2010	% change	2010	2009
ASSETS			
Assets	7%	11,617	10,874
Total assets	**7%**	**11,617**	**10,874**
LIABILITIES AND EQUITY OF CANADA			
Liabilities	(9%)	40,762	44,866
Equity of Canada	14%	(29,145)	(33,992)
Total liabilities and equity of Canada	**7%**	**11,617**	**10,874**

Condensed Statement of Operations

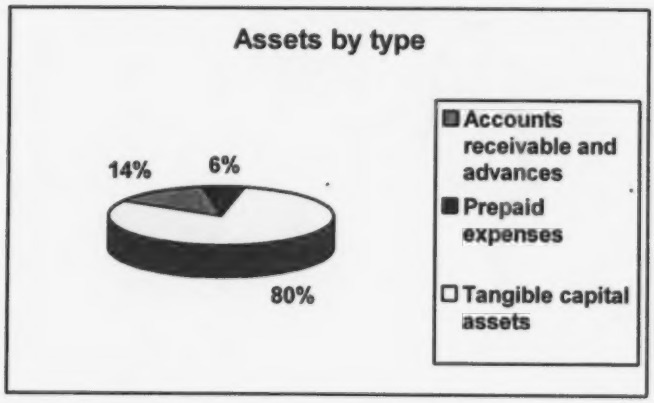
(in thousands of dollars)

For the year ended March 31, 2010	% change	2010	2009
EXPENSES	2%	176,433	172,548
REVENUES	(35%)	(11)	(17)
NET COST OF OPERATIONS	**2%**	**176,422**	**172,531**

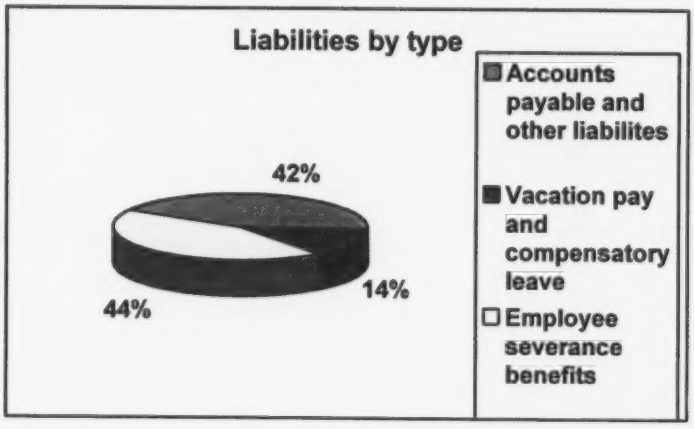
The increase of $3,891 thousand in the net cost of operations from fiscal year 2008-09 to 2009-10 is mainly due to the funding received and spent for:

- additional operating requirements to permanently eliminate various chronic funding pressures in the Department;
- implementation and coordination of Canada's Economic Action Plan; and
- the Public Service Renewal Task Force Branch which was transferred from the Canada Public Service Agency.

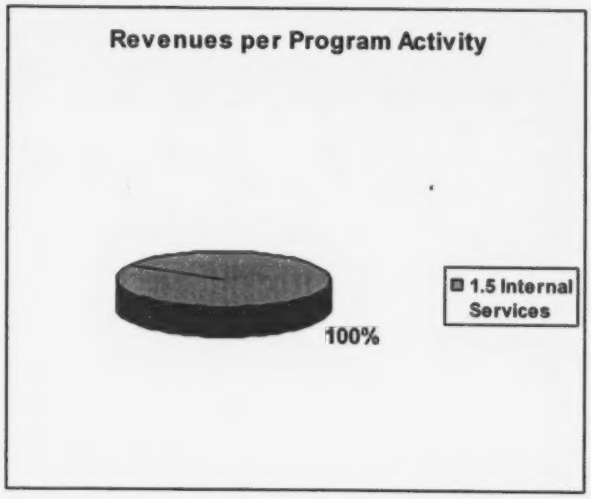
These increases were partially offset by the decrease in spending for Commissions of Inquiry and by decreases in severance pay and vacation pay liabilities.



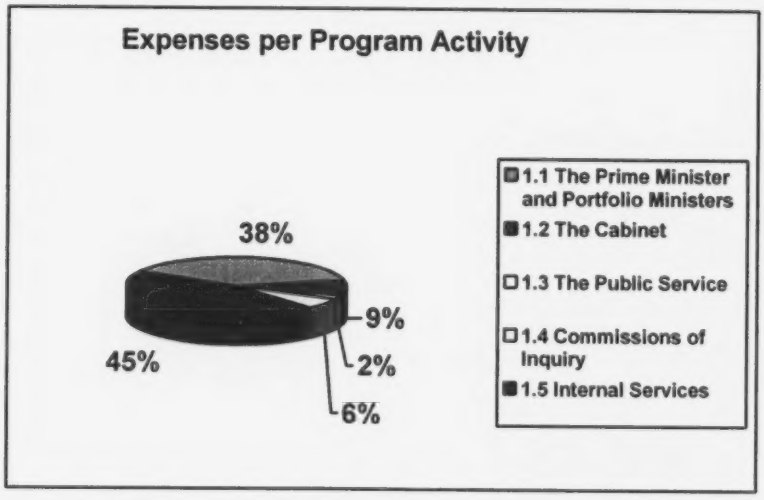
Total assets were $11,617 thousand at the end of fiscal year 2009-10, an increase of $743 thousand (7%) over the previous year's assets of $10,874 thousand. PCO's most important assets are the tangible capital assets at $9,288 thousand (80%) which remained constant compared to fiscal year 2008-09. Tangible capital assets at PCO mainly comprise informatics related hardware and software.



Total liabilities were $40,762 thousand at the end of fiscal year 2009-10, which represents a decrease of $4,104 thousand (9%) compared to fiscal year 2008-09. The decrease is mainly due to a significant reduction of year end accrued salaries since in fiscal year 2009-10, the last pay period coincided with the end of the fiscal year (March 31), as opposed to last year for which 8 days were set up as an account payable at year-end.



Total revenues for PCO were $11 thousand for fiscal year 2009-2010. These revenues mainly comprise gain on disposal of tangible assets and miscellaneous revenues. For fiscal year 2009-10, all revenues were generated in Program Activity 1.5 (Internal Services).



Total expenses for PCO were $176,433 thousand for fiscal year 2009-10 compared to $172,548 for fiscal year 2008-09.

As per the above pie chart, the Internal Services expenses are being presented as a separate activity in the financial statements (1.5 Internal Services) based on the Treasury Board Secretariat's new reporting requirements. In previous years, Internal Services expenses were distributed between Program Activities.

The Program Activity 1.1 represents the core of our mandate which is to serve Canada and Canadians by providing professional, non-partisan advice and support to the Prime Minister and the ministers within the

Prime Minister's portfolio. The increase in the level of expense from fiscal year 2008-09 to 2009-10 for activity 1.1 is mainly due to funding received and spent for additional operating requirements to permanently eliminate various chronic funding pressures in the Department and for the implementation and coordination of Canada's Economic Action Plan.

There was no material variance in the level of expenses from fiscal year 2008-09 to 2009-10 for Program Activity 1.2 The Cabinet – *Provide policy advice and secretariat support to Cabinet and Cabinet committees,* Program Activity 1.3 The Public Service – *Provide overall leadership and direction to the Public Service in support of the Government's agenda,* and Program Activity 1.5 Internal Services – *Provide services and resources to support the needs of PCO and fulfill corporate obligations of the organization.*

The decrease in the Program Activity 1.4 Commissions of Inquiry – *Provide Commissions of Inquiry with financial and administrative support* is explained by the winding down of activities of two Commissions of Inquiry, the Internal Inquiry into the Actions of Canadian Officials in Relation to Abdullah Almaki, Ahmand Aboud-Elmaati and Muyyed Nureddin and the Commission of Inquiry into the Investigation of the Bombing of Air India Flight 182, with a partial offset by the creation of the Commission of Inquiry into the Decline of Sockeye Salmon in the Fraser River.

For Program Activity 1.5 Internal Services, PCO operates in a highly centralized and unique environment where many costs normally assumed by line managers (e.g., all informatics and technical services which include protected and classified networks based on the uniqueness of the business environment at PCO, furniture and equipment, supplies, printing and graphics, messenger services, telecommunications and review of Cabinet Confidence Information in order to protect prior and current Cabinet information) are being charged to the Internal Services Program Activity and not reallocated to the individual Program Activities where the product or service is being used.

List of Supplementary Information Tables

All electronic supplementary information tables found in the 2009–10 Departmental Performance Report can be found on the Treasury Board of Canada Secretariat's website at: http://www.tbs-sct.gc.ca/dpr-rmr/2009-2010/index-eng.asp.

Sources of Respendable and Non-Respendable Revenue
User Fees/External Fees
Response to Parliamentary Committees and External Audits
Internal Audits and Evaluations

Financial Statements

PCO's Financial Statements can be found at www.pco-bcp.gc.ca in the Reports and Publications section.

Other Items of Interest

Organizational Structure[34]

Website References

Privy Council Office
www.pco-bcp.gc.ca

The Prime Minister
www.pm.gc.ca

Clerk of the Privy Council
www.clerk.gc.ca

Annual Reports to the Prime Minister on the Public Service of Canada
http://www.clerk.gc.ca/eng/feature.asp?featureId=19&pageId=77

Commissions of Inquiry
http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=information&sub=commissions

Governor-in-Council Appointments
http://www.appointments-nominations.gc.ca/index.asp?lang=eng

Canada's Engagement in Afghanistan
http://www.afghanistan.gc.ca

[34] http://www.pco-bcp.gc.ca/index.asp?lang=eng&page=Org